



ABOUT THE CALIFORNIA ECONOMIC STRATEGY PANEL

The California Economic Strategy Panel (Panel) continuously examines changes in the state's economic base and industry sectors to develop a statewide vision and strategic initiatives to guide public policy decisions for economic growth and competitiveness. The fifteen-member Panel is comprised of eight appointees by the Governor, two appointees each by the President pro Tempore and the Speaker and one each by the Senate and Assembly Minority Floor Leaders. The Secretary of the California Labor & Workforce Development Agency serves as the Chair.

The Panel first identified California's economy as an economy of regions in 1996. At that time, the Panel also adopted a new way of looking at industry sectors and how they function and grow as industry clusters. These new ways of looking at the economy became the basis for the analytical work completed then, and have provided a foundation for the Panel's work since that time.

In 2003, the Panel initiated a new project that would produce a series of studies, the *California Regional Economies Project (CREP)*. The CREP used the concept of regional economies and industry clusters previously established by the Panel to provide an updated look at California's economy, providing "real time" economic data and information. This was one of four critical investment areas identified by the Panel in its 2002 report, [Creating a Shared California Economic Strategy: A Call to Action](#). The Panel's objective was to institutionalize a research methodology and access to the official employment and wage information reported by employers to conduct on-going studies that would provide a resource for economic and workforce development planning, investment decisions, policy changes and connecting economic and workforce policies and programs at the state and regional levels.

The California Workforce Investment Board (State Board) sponsored the CREP, to help address its own need for timely information about the economy and key labor and workforce issues that would drive investment decisions by the State Board and by Local Workforce Investment Boards and their service delivery system of One-Stop Career Centers. At a time when the federally-funded system was being called to become more responsive to the changes taking place in the economy, the CREP provides current industry trends and helps to create a bridge for dialogue and collaboration between the economic and workforce development worlds.

California Employment Development Department's Labor Market Information Division (LMID) provided the current employment and wage information reported by employers converted to the North American Industrial Classification Codes (NAICS) going back to 1990.

In 2005, the Panel recommended that the research methodology and access to non-confidential employment and wage information reported by employers be shared with the public. The Panel's objective was to provide local and regional organizations with the knowledge and tools needed to complete their own economic research and analyses at the most disaggregated level possible.

In response, the Panel worked with Collaborative Economics, Inc. to produce the *Industry Clusters of Opportunity User Guide (Guide)*. This two-part Guide provides a step-by-step methodology of how to identify industry clusters of opportunity and how to use the information for planning, policy

and program investment decision-making. The Panel also engaged Collaborative Economics, Inc. to provide step-by-step training at training workshops, based on the *Guide's* methodology.

To provide access to non-confidential employment and wage information, the LMID produces and makes available on-line the [California Regional Economies Employment](#) (CREE) Series, which is the non-confidential version of the official employment and wage information reported by employers. The CREE series provides annual County data at the four-digit NAICS level, back to 1990.

In 2007, the California Workforce Investment Board, Employment Training Panel, California Community Colleges Office of the Chancellor, Employment Development Department Labor Market Information Division and the Panel entered into a Memorandum of Understanding (MOU). The purpose of the MOU was twofold. First, the MOU defined roles and responsibilities to support and coordinate the work under the California Regional Economies Project. Second, the MOU agreed to empower local and regional organizations to conduct economic analyses at the county and multi-county levels for strategic planning, policy development, and program investment decisions.

To accomplish the latter, six training sessions were organized using the *Industry Clusters of Opportunity User Guide*, September 2007, the on-line *California Regional Economies Employment* (CREE) Series, and the *North American Industrial Classification System (NAICS) Manual* as the primary instruments for training. Collaborative Economics, Inc. conducted the training. In addition, two "executive-style" training sessions were conducted. One session included Governor's Cabinet Secretaries, Undersecretaries and Senior Executives and another session included the California Workforce Investment Board Members.

In 2008, the partners agreed to a Scope of Work that includes the following work areas in FY 2008-09:

- Six Industry Clusters of Opportunity Training Sessions;
- Technical Assistance and Accountability, which will include the following:
Develop procedures and provide technical assistance, including advanced or more comprehensive data analyses; qualitative analyses with business, industry and labor representatives; strategic planning; policy development; and, investment decision-making, to local and regional organizations who participated in an Industry Clusters of Opportunity Training Session.
- Conduct surveys and interviews to document the value and applications of the *Guide* and training sessions and identify demands for technical assistance.

The Panel believes this effort will empower local and regional organizations to continuously examine the changing economy that will lead to demand-driven strategic planning, policy development and investment decisions.

Also in 2008, as part of the CREP, the Panel commissioned two new studies, [Clean Technology & the Green Economy: Growing Products, Services, Businesses & Jobs in California's Value Network - 2008](#) and [California's Role in the Global Economy – New Context, New Opportunity](#), as well as an update to the *Guide* and the annual [Economic Profiles](#). All of these publications, along with all past studies and reports, are available on the Panel's website, under [Publications](#).